

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 NEA-10 IO-13 H-01 L-03 PRS-01

PA-01 SP-02 USIA-06 AID-05 EB-08 NSC-05 SS-15

STR-05 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 DHA-05

/113 W

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R 030249Z OCT 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5995

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USADB

PASS TREASURY FOR BRADFORD/ESCOUBE

E.O. 11652: NA

TAGS: EAID, EFIN

SUBJECT: ADB LOAN AND TA OPERATIONS FOR NOVEMBER - HUMAN RIGHTS

FOLLOWING IS PARTIAL REPORT ON PROJECT DESCRIPTION OF LOAN AND TECHNICAL ASSISTANCE PROJECTS EXPECTED TO COME BEFORE ADB BOARD OF DIRECTORS IN NOVEMBER. OTHER PROJECTS FOR NOVEMBER CONSIDERATION STILL UNDER PREPARATION WILL FOLLOW.

1. CHITTAGONG POWER DISTRIBUTION PROJECT (BANGLADESH)
(LOAN:

A. PROJECT WILL PROVIDE FOR THE REHABILITATION AND EXTENSION OF EXISTING POWER DISTRIBUTION FACILITIES IN GREATER CHITTAGONG AREA OF BANGLADESH. FOREIGN EXCHANGE COST OF PROJECT IS EXPECTED TO BE \$24 MILLION. CERTAIN ISSUES HAVE TO BE CLEARED WITH BANGLADESH
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GOVERNMENT PRIOR TO APPRAISAL; HOWEVER, IT IS ANTICIPATED THAT PROJECT WILL BE PRESENTED FOR BOARD CONSIDERATION IN NOVEMBER 1977.

B. CHITTAGONG IS SECOND LARGEST CITY IN BANGLADESH AND HAS A POPULATION OF 700,000. EXISTING DISTRIBUTION SYSTEM THROUGHOUT CITY IS IN VERY POOR

CONDITION, AND ALL SECTORS OF CITY ARE FREQUENTLY PARALYZED FROM POWER BLACKOUTS. PROJECT WOULD PROVIDE RELIABLE POWER SUPPLIES AND ALLOW FURTHER EXTENSION OF POWER SYSTEM. BENEFICIARIES WOULD INCLUDE: (I) INDUSTRIAL SECTOR, WITH SECONDARY BENEFITS TO INDUSTRIAL EMPLOYEES; (II) COMMERCIAL SECTOR; (III) DOMESTIC CONSUMERS, WITH ADDITIONAL BENEFITS TO NEW CONSUMERS WHO WILL BE CONNECTED TO REINFORCED POWER NETWORK; AND (IV) AGRICULTURAL CONSUMERS. PROJECT INCLUDES A SMALL AMOUNT OF SEMI-RURAL ELECTRIFICATION WHICH WILL BENEFIT AGRICULTURAL CONSUMERS.

C. IT IS POSSIBLE THAT WITH INCREASED EFFICIENCY IN INDUSTRIAL AND COMMERCIAL SECTORS, THERE WILL BE BENEFITS PASSED ON TO EMPLOYEES IN THE FORM OF INCREASED SALARIES. PROJECT ITSELF WILL BE FAIRLY LABOR-INTENSIVE.

2. PROVINCIAL MINI HYDROPOWER (PAPUA NEW GUINEA) (LOAN):
A. PROJECT PROVIDES FOR FOUR RUN-OF-THE-RIVER MINI HYDROPOWER PLANTS, OF WHICH TWO ARE LOCATED IN PROVINCE OF WEST NEW BRITAIN AND ONE EACH IN NEW IRELAND AND NORTH SOLOMON PROVINCES, 60 KM. OF 22 KV TRANSMISSION LINES, AND 11 KV DISTRIBUTION FACILITIES. ALSO INCLUDED ARE PILOT RURAL ELECTRIFICATION PROGRAMS.

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FICATION PROGRAMS.

B. PROJECT WILL SERVE ABOUT 25,000 PEOPLE. CUSTOMERS SERVED WOULD INCLUDE SMALLHOLDER FARMERS, PLANTATIONS, SHOPS AND GOVERNMENT ESTABLISHMENTS ENGAGED IN LOCAL ADMINISTRATION. PROJECT OUTPUT WILL BE USED LARGELY FOR PRODUCTIVE USES IN AGRICULTURE AND AGRO-BASED INDUSTRIES AND FORESTRY OPERATIONS. PROJECT BENEFITS WILL INITIALLY ACCRUE LARGELY TO THAT SEGMENT OF POPULATION THAT HAS UNDERTAKEN COMMERCIAL FARMING AND EXCHANGE ACTIVITY; HOWEVER, OVER A PERIOD OF TIME, GREATER SEGMENT OF POPULATION IS EXPECTED TO UTILIZE PROJECT SERVICES AS MODERN ECONOMIC ACTIVITY SPREADS.

C. PROJECT SERVICES WILL CONSTITUTE AN IMPORTANT INPUT IN SUSTAINING AND ACCELERATING GROWTH OF THE CENTERS SERVED AND THE SURROUNDING REGION. DUE TO NATURE OF THESE CHANGES, IT IS NOT POSSIBLE TO MEASURE INCOME IMPROVEMENTS ATTRIBUTABLE TO PROJECT.

D. ALSO INCLUDED IN PROJECT IS TA FOR EXPERT SERVICES IN HYDROLOGY AND HYDROPOWER PLANNING.

3. SURABAYA PORT 11 - PHASE 1 (INDONESIA) (LOAN):
A. MAIN COMPONENTS OF PROJECT ARE AS FOLLOWS: (I) CON-

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INFO OCT-01 EA-10 ISO-00 NEA-10 IO-13 H-01 L-03 PRS-01
PA-01 AID-05 CIAE-00 COME-00 EB-08 FRB-03 INR-07
NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02 LAB-04
SIL-01 OMB-01 NSC-05 SS-15 STR-05 CEA-01 DHA-05
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R 030249Z OCT 77
FM AMEMBASSY MANILA
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USADB

PASS TREASURY FOR BRADFORD/ESCOUBE

STRUCTION OF EIGHT INTER-ISLAND BERTHS INCLUDING
DREDGING; AND (II) NECESSARY ANCILLARY WORKS SUCH
AS OPEN STORAGE AREA, UTILITIES, COMMUNICATIONS
AND ADMINISTRATION FACILITIES.

B. IN PORT PROJECTS OF THIS NATURE, WHICH AIM TO KEEP
COST OF TRANSFERRING CARGO BETWEEN SHIPS AND SHORE
(AND, THEREFORE, TOTAL TRANSPORT COSTS) AT A MINI-
MUM LEVEL POSSIBLE, IT IS DIFFICULT TO IDENTIFY
SEPARATELY THE BENEFICIARIES AS A WHOLE. POPULATION
WITHIN THE HINTERLAND OF THE PORT OF SURABAYA
(ABOUT 45 MILLION), IN PARTICULAR, WILL BENEFIT FROM
THE PROJECT, ON A RELATIVE BASIS (RATHER THEN ON
ABSOLUTE TERMS). BENEFITS FROM THE PROJECT WILL
HAVE A MORE SIGNIFICANT EFFECT ON THE LOWER INCOME GROUP
RATHER THAN THE HIGHER INCOME GROUP BECAUSE OF LOWER
PRICES OF BASIC IMPORTED FOOD AND CONSUMER GOODS AND
POSSIBILITY OF SECURING A GOOD MARKET FOR THE AGRI-
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CULTURAL EXPORTS OF THE HINTERLAND. PROJECT WILL, THEREFORE, HAVE WIDESPREAD EFFECT ON THE POPULATION SERVED BY THE PORT.

4. HONIARA PORT (SOLOMON ISLANDS) (LOAN):

A. PROPOSED SCOPE OF WORK OF THE PROJECT WOULD BE AS FOLLOWS: (I) ABOUT 50M SHOREWARD EXTENSION OF MAIN DEEP WATER WHARF; (II) SEA PROTECTION WORKS ON WEST SIDE OF POINT CRUZ; AND (III) OTHER NECESSARY MINOR RELOCATION OF FACILITIES IN PORT AREA.

B. SINCE THIS IS THE ONLY PORT WITHIN THE COUNTRY TO HAVE REGULAR LINER SHIPPING SERVICES, MOST IMPORTS (FROM FOODSTUFF TO CONSTRUCTION MATERIALS) ARE HANDLED THROUGH THE PORT. IF THE PORT IS NOT IMPROVED, SHIP'S TURN AROUND WOULD BECOME LOW AND SHIP'S WAITING TIME WOULD INCREASE AND, AS A MOST PROBABLE EFFECT, SHIPPING COMPANIES WOULD PUT CONGESTION SURCHARGE ON THE NORMAL FREIGHT RATE. THIS WOULD CERTAINLY HAVE AN ADVERSE EFFECT ON THE PRICE OF THE COMMODITIES ON WHICH MOST OF THE PEOPLE ARE HEAVILY DEPENDENT. THIS BENEFIT WAS EVALUATED AND PRESENTED IN THE REPORT.

5. INTEGRATED WATER SUPPLY PROJECT (KOREA) (LOAN):

A. PROPOSED PROJECT WOULD SUPPLY WATER TO 28 MEDIUM- AND SMALL-SIZED COMMUNITIES AND FIVE INDUSTRIAL COMPLEXES IN GEUM RIVER AREA AND NAKDONG RIVER AREA.

B. PROJECT CONSISTS OF TWO LARGE DIAMETER PIPELINE SYSTEMS TO SUPPLY WATER IN BULK. TWO SYSTEMS ARE:
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I. GEUM RIVER WATER SUPPLY SYSTEM - THIS SYSTEM, OF A CAPACITY OF 300,000 CUBIC METERS PER DAY (CMD), WILL SUPPLY 24 MUNICIPALITIES AND 3 INDUSTRIAL COMPLEXES WATER REQUIREMENTS UP TO 1991. POPULATION SERVED WILL BE 1,070,000 IN 1991 WHICH IS 82 PERCENT OF THE ESTIMATED TOTAL POPULATION, AND THE MAJORITY OF THE INCREASE FROM THE PRESENT 48 PERCENT WILL BE THE LOWER INCOME GROUP. PROJECT FACILITIES CONSIST OF A RIVER INTAKE, ABOUT 140 KMS. OF TRANSMISSION PIPELINE, TREATMENT WORKS AND PUMPING STATIONS.

II. NAKDONG WATER SUPPLY SYSTEM - THIS SYSTEM, OF A CAPACITY OF 150,000 CMD, WILL SUPPLY 4 MUNICIPALITIES AND 2 INDUSTRIAL COMPLEXES WATER REQUIREMENTS UP TO 1991. POPULATION SERVED IN 1991 WILL BE 270,000, WHICH IS 80 PERCENT OF THE ESTIMATED TOTAL POPULATION; THE MAJORITY OF WHICH WILL BE FACTORY WORKERS AND THEIR DEPENDENTS. PROJECT FACILITIES CONSIST OF A RIVER INTAKE, ABOUT 30 KMS. OF TRANSMISSION PIPELINE, TREATMENT WORKS AND PUMPING STATIONS.

6. OUTER PORTS IMPROVEMENT (BURMA) (TA):

A. THIS TA CONSISTS OF A FEASIBILITY STUDY AND PROJECT PREPARATION FOR REHABILITATION AND IMPROVEMENT OF COASTAL OR OUTPORTS OF BURMA.

B. OUTPORTS OF BURMA SERVE AS A MOST IMPORTANT LINK BETWEEN EACH HINTERLAND AND THE OTHER PART OF THE COUNTRY. PEOPLE IN THE PORT'S HINTERLAND HEAVILY DEPEND ON THE REGULAR SHIPPING SERVICES NOT ONLY FOR MOVEMENT OF COMMODITIES BUT ALSO OF THEMSELVES. PRESENT CONDITION OF THE PORT MAKES SHIP'S TURN AROUND VERY LOW AND RESULTS IN RELATIVELY HIGH TRANSPORT COSTS AND UNRELIABLE SERVICE SCHEDULE. THIS CONDITION IS EXPECTED TO BE IMPROVED LIMITED OFFICIAL USE

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AT A SATISFACTORY LEVEL BY IMPLEMENTATION OF PROJECT. MOST NEEDY PEOPLE WILL, THEREFORE, BENEFIT FROM PROJECT. EDMOND

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: HUMAN RIGHTS, LOANS, PROGRAMS (PROJECTS)
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Sent Date: 03-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA15645
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770359-0885
Format: TEL
From: MANILA USADB
Handling Restrictions: n/a
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Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1053328
Secure: OPEN
Status: NATIVE
Subject: ADB LOAN AND TA OPERATIONS FOR NOVEMBER - HUMAN RIGHTS FOLLOWING IS PARTIAL REPORT ON PROJECT DESCRIPTION
TAGS: EAID, EFIN, ADB
To: STATE
Type: TE
vdkgvwkey: odbcr//SAS/SAS.dbo.SAS_Docs/e72f7538-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009